



FPDR FUNDamentals

*A quarterly newsletter for
Fire and Police members*

October 2010
Volume 11, Issue 2

DIRECTOR'S MESSAGE

I hope that you enjoyed your summer. I know you're probably wondering what planet I've been on. It was a very cool and damp summer, but all I had to do was recall how sweltering the 100+ degree temperatures were last summer. Not my idea of fun. The beauty of being here in Oregon is that there are always so many wonderful things to do and places to go year round regardless of what the weather might be.

We are introducing online distribution of this newsletter this month for active members. This is part of our sustainability efforts, and we hope you will find that this method of communication meets your needs. We will continue to send the newsletter via US Mail to our disabled members and retirees.

It has recently come to my attention that some members may still be confused about how FPDR operates and administers benefits. You may recall that the Portland voters passed Charter Reform in November 2006 which resulted in some significant changes in how we do business. These changes became effective January 1, 2007.

Most significant was the change in the makeup and authorities of the FPDR Board of Trustees. The Board went from eleven members to five: one fire and one police member, two citizen members, and the Mayor or the Mayor's designee.

The level of benefits remained unchanged. The Board of Trustees still has the authority and responsibility for adopting administrative rules that follow the intent of Chapter 5 of the City of Portland Charter. However, the authority to make decisions relative to disability benefits was transferred from the Board to the FPDR Administrator.

What this means to you is that the FPDR Administrator (Director) now has sole authority with regard to making disability claim decisions. To a certain extent, authority has been delegated to FPDR staff (the Disability Manager and Analysts). Most claims are approved and don't require the Administrator's authorization. Certain thresholds

Inside this issue:

1099s & Insurance Premiums	2
PFFA Contract	2
Claim Reimbursements	3
Board Work Session	4
Pension Overpayment Update	4

(continued on page 5)

PENSION UPDATE

1099s and Insurance Premiums Paid by FPDR

Some members have asked us to exclude the up to \$3000 in health plan or long-term care premiums paid by FPDR from the taxable portion of your pension benefits. This was one of the comments we received in the April member survey.

Please note that the Internal Revenue Service specifically directs that we not exclude these premiums from the taxable amount box on your 1099-R. To document the total amount of premiums deducted from your pension payments for the year, please save the stub from your December 1 pension payment. Refer your tax preparer to the Form 1040 instructions on lines 16a and 16b, where insurance premiums for retired public safety officers are discussed.

DEPOSIT DATE: 12/01/2010

	<u>THIS PERIOD</u>	<u>YEAR TO DATE</u>
PAYMENTS - OR TAX OFFSET:	\$377.04	\$4,524.48
<u>GROSS BASE PENSION:</u>	<u>\$3,812.38</u>	<u>\$45,748.56</u>
TOTAL GROSS:	\$4,189.42	\$50,273.04
TAXES - FEDERAL:	\$217.00	\$2,604.00
OREGON:	\$149.00	\$1,788.00
COUNTY:	\$0.00	\$0.00
<u>DEDUCTIONS - HEALTH PREMIUM:</u>	<u>\$606.00</u>	<u>\$7,272.00</u>
TOTAL DEDUCTIONS:	\$972.00	\$11,664.00
NET DEPOSIT:	\$3,217.42	\$38,609.04

PFFA Ratifies Contract

Members of the Portland Fire Fighters Association ratified their FY 2010-12 contract last month. Key new provisions are:

- Salary rates remain unchanged from FY 2009-10 to FY 2010-11.
- Salary rates for FY 2011-12 will increase by a minimum of 1% and a maximum of 5% depending on the change in the consumer price index (CPI).
- Standard weekly work hours for suppression employees will decline from 52.1 in FY 2010-11 to 51.9223 in FY 2011-12. As a result of the work week reduction, these employees will have 12 hours of vacation leave deducted from their accruals annually.

(continued on page 5)

DISABILITY UPDATE

Reimbursements for Service & Occupational Claims

If your claim has been approved for a service connected or an occupational disability, you can be reimbursed for mileage to and from your medical appointments and for out-of-pocket expenses such as prescriptions.

- Complete the Request for Prescriptions and Mileage Reimbursement form found in your disability packet.
- This form is also located on the FPDR website under Member Benefits. Click on Forms, then Disability - Service Connected. You will see a link to: Request for Prescription and Mileage Reimbursement. Click on this link to print the form.

Submit your request for reimbursement to FPDR. All reimbursement requests require the member's signature that affirms the request for reimbursement is true. FPDR will verify the request by reviewing appointment dates or prescriptions requested against bills and/or chart notes. To expedite mileage reimbursement, you can request a print-out of your appointment dates from your provider to send with the reimbursement request.

**** Remember: all reimbursement requests must be submitted within 60 days of incurring the expense.**

Administrative Rule 5-9-03 (7) states: All requests for reimbursement for expenses paid by the member must be submitted to and received by the Director within 60 days of incurring the expense for which reimbursement is sought.



FPDR is committed to finding ways to save money and reduce our use of paper. We are now emailing the quarterly newsletter to our

active members who have a city email address. We will continue to print out and mail the newsletter to our retired members who have not given us their email address. Our costs will be cut nearly in half by this effort. Please join us in saying "Go Green, Go Paperless." Call 503.823.6823 or email fpdr@portlandoregon.gov to be added to the electronic distribution list.

FPDR Board Work Session

The FPDR Board of Trustees met on Wednesday, October 6, 2010, to begin discussing Chapter 5 Charter Change concepts. They had a day-long work session and, with the help of a professional facilitator, were able to review items that had been presented by staff and other stakeholders. Some of the items discussed included:

- The definition of Base Pay
- The definition of Final Pay
- Nonservice-Connected Death Benefit for members with less than 10 years of employment at the time of death
- Nonservice-Connected Disability Eligibility and Benefits Levels
- Service-Connected and Nonservice-Connected Disability Form of Benefits
- Service-Connected and Nonservice-Connected Disability Benefit Wage Offset
- The definition of Substantial Gainful Activity
- Extend to police a comparable presumption to the firefighter cancer presumption
- Add a fire and police retiree to the Board of Trustees
- Expand Occupational Disability provisions

The Board will resume discussions at their regularly scheduled meeting on Tuesday, October 26, 2010, at 1 pm. There will be a public comment section on the agenda.

FPDR will provide updates on any concepts discussed in future newsletters.

Pension Overpayment Update

We have reached a tentative agreement with the Internal Revenue Service on implementation of the correction and hope to have a final, IRS-approved overpayment correction arrangement in place before the end of 2010. We appreciate your patience and will send affected members more specific information at that time.

(Director's Message, continued from page 1)

have been established that require the Administrator's review and authorization prior to claim approval. In cases where all or any part of a claim is being denied, the Administrator reviews the factual information with the Disability Analysts and Manager and gives authorization as appropriate.

Finally, the Charter Reform also resulted in requiring an independent appeals process. The FPDR Board no longer hears appeals of disability claim decisions. If the Administrator has authorized a denial of any disability benefit, the member still has a right to appeal. Now the appeal (hearing) is before an independent hearings officer (administrative law judge), retained by the FPDR Board. Also, there is a three-member independent panel of administrative law judges that has been retained by the FPDR Board to consider appeals from the hearings officer.

If you have any questions about these and other changes to the program, don't hesitate to let us know. As always, be safe and best wishes to you and your families.



(PFFA Ratifies Contract, continued from page 2)

- For suppression employees, banked hours in excess of 36 will be paid out. As these are hours members have worked, the banked hours payouts will be included in Final Pay for pension benefits for future FPDR Two retirees.
- The number of personal days increases from three to four per year.
- Employees within five years of retirement may accrue three years of vacation leave.
- Employees may request a payout of accrued deferred holiday time once a year.
- Education benefits will increase to a limit of 13.5 quarter hours per fiscal year up to \$14,000 per year.
- Call-shift time will be paid at 1.5 times the base rate effective 6/30/12.

For FPDR One Fire members, the salary provisions mean that there will be no increase in benefits for FY 2010-11 and so no retro payment. For FY 2011-12, the FPDR One Fire increase will be from 1% to 5% depending on the CPI change.

As of this writing, the PFFA contract had not yet gone to City Council for approval.



FPDR

The Bureau of Fire and Police Disability and Retirement administers disability, death and retirement benefits to Portland firefighters, police officers and their survivors.

City of Portland, Oregon
Fire & Police Disability & Retirement
1800 SW First Avenue, Suite 450
Portland, OR 97201
Phone: 503.823.6823
1.800.773.5744
Fax: 503.823.5166
fpdr@portlandoregon.gov

We're on the Web!

www.portlandoregon.gov/fpdr

STAFF INTRODUCTIONS

LINDA JEFFERSON, Director

Sheri Miller, Senior Management Analyst

Kathy Kakesako, Senior Legal Assistant

SUZANNE BATES,

FPDR Operations & Disability Manager

Pamela Schill, Senior Disability Analyst – Fire Bureau

Kimberly Mitchell, Senior Disability Analyst–Police Bureau

Julia Towne, Senior Disability Analyst – Return-to-Work and Subrogation Specialist

Barb Aase, Disability Analyst

Nancy Hendricks, Disability Analyst

Chloe Oliver, Program Manager

NANCY HARTLINE,

FPDR Financial Manager

Julie Morrow, Administrative Supervisor

Beth Baisch, Management Assistant – Pension Coordinator

Patricia Rafferty, Accountant – Disability Payments

Stacy Jones, Senior Financial Analyst

Mika Obara, Senior Financial Analyst

Robert Klimek, Office Support Specialist

Bureau Liaisons:

Paul Corah – Portland Fire and Rescue

Brett Williamson – Portland Police Bureau